

ERITREA

RURAL ENTERPRISE INVESTMENT PARTNERSHIP
Cooperative Agreement No. 661-0009-4-00-6503-00

Report On Program Implementation

July 1, - September 30, 2003

Submitted by

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List of Acronyms

ACDI/VOCA	- The former Agricultural Cooperative Development International, now Merged with Volunteers in Overseas Cooperative Assistance
CA	- Credit Administrator, CBER
CBER	- Commercial Bank of Eritrea
EIF	- Enterprise Investment Fund
GOSE	- Government of the State of Eritrea
NCEW	- National Confederation of Eritrean Workers
REIP	- Rural Enterprise Investment Partnership
REU	- Rural Enterprise Unit
USAID	- United States Agency for International Development

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BACKGROUND

ACDI/VOCA signed a cooperative agreement with USAID for the REIP program in September 1996. Implementation began in October 1996 with an ACDI/VOCA team of three: Sandra Blanchard (ACDI/VOCA Representative); Michael A. O'Neill (Senior Banking Advisor); Gavin Olney (Enterprise Advisor). At that time, ACDI/VOCA was responsible for managing both the enterprise development and the banking components of the project. The original design of the REIP Program, with a linked assistance to borrowers and bank, was superseded during the third quarter by an agreement between USAID and the GOSE that the enterprise development component with both the REU and Investment Fund would be removed from ACDI/VOCA's control and placed under direct supervision of the GOSE. The formal REIP agreement between USAID and GOSE was finally signed on September 30, 1997, the last day of Year I.

During the period from October 1, 1997 to March 31, 1998 the REIP program was modified, the Rural Enterprise Unit (REU) was redefined and commissioned and the operating criteria, policies and procedures for the Enterprise Investment Fund (EIF) were set up. In March 2002, an assessment team made up of ACDI/VOCA senior Business Development Services Specialists traveled to Asmara to design the second phase of REIP. The REIP work plan was revised in response to requests made by the CBER. In the fall of 2002, ACDI/VOCA was asked to develop a proposal for an extension phase of the REIP program, focusing on particularly pressing issues in Eritrean rural enterprise development. In December 2002, ACDI/VOCA submitted a final extension proposal focusing on small and medium enterprise development in the Horticulture sub-sector, in addition to a cooperative development component, carrying the project through December 2003.

PROGRAM MANAGEMENT (July – September 2003)

Program Design:

During this quarter, REIP staff engaged in developing the revised work plan for the remainder of the original contract period in addition to the extension period. This revised work plan refocused ACDI/VOCA's activities on two core program areas: alternative crops in the Green Belt Area and the Banana Component based in the Tekreret area. Both these components will receive short term technical assistance from ACDI/VOCA US Based Volunteers, scopes of work for which have been developed during this quarter. These activities will form the foundation for a Strategic Plan for the Ministry of Agriculture to be conducted with ACDI/VOCA assistance towards the end of the REIP Program Area. Finally, during this quarter, substantial progress was made towards completion of the Cooperative Development Training Materials for the National Council of Eritrean Workers under the Cooperative Development Component of REIP.

Horticulture Component:

During the visit of ACDI/VOCA Project Coordinator Adina Saperstein (from 01/08 to 10/08) the 2003 Work Plan was revised. The production and marketing activities are articulated around two components: the alternative vegetable crops in the “Green Belt” and the banana farmers from the *Adi Sheik Humed* association located in Tekreret.

Green Belt Component

ACDI/VOCA has strengthened contacts with the Greenbelt village of *Lamza* and the Intercontinental hotel in order to achieve results in filling the marketing gap experienced by the Intercontinental Hotel and other potential domestic niche outlets for vegetable produce. With the cooperation of the Ministry of Agriculture and Rural Enterprise Unit, a workshop was delivered to farmers of *Addi Lamza* to discuss specific activities to improve crop patterns based on these market demands. Outreach activities agreed upon, among others, are the introduction of crop scheduling, the introduction of improved market specific seed and introduction of low plastic tunnel for protection of crops during the frost season.

Banana Component

During a trip to Agordat and Tekreret, the proposal to renovate a banana packing shed located on the farm site of the *Adi Sheik Humed* banana producer’s Association was discussed with association members and the MOA representative. Contractors were arranged and three quotations were received for its construction. The first instalment was delivered to the contractor and construction is set to begin by the end of September. With its completion, it is expected to serve as a pilot plant for the improvement of post harvest banana quality. The Intercontinental Hotel has also expressed interest in purchasing such improved bananas.

Additionally, two pocket reference guides were completed: “Green Banana Defects” and “Banana Production and Post Harvest, A Field Guide Book” in order to give recommendations to farmers on quality improvements of banana.

Other Activities

Support was given to the training of MOA extension staff from 27/07 to 2/08 on post harvest of fruits and vegetables with emphasis on marketing aspects during a seminar sponsored by the FAO and COOPERAZIONE ITALIA. The proceedings of the training “*Operational Manual on Post Harvest Management and Marketing of Horticulture Crops*” were published by FAO and should serve as a reference guide to MOA extension personnel. Also, trips to the MOA Halhale Research Center, Keren and Hagaz were conducted to assess the need of ACDI/VOCA’ Volunteers (onion seed multiplication) foreseen in the budget.

NCEW ACTIVITIES (July – September 2003)

Out of the series of brochures and manuals, designed based on the Cooperative Development Training Manual produced by volunteer Doug Bishop in My 2002, the first brochures on Cooperative Board of Directors and members are drafted during this quarter.